

## **FISCAL NOTE**

### **SB 1577 – HB 1843**

March 5, 2007

**SUMMARY OF BILL:** Requires that all school buses purchased after July 1, 2007, be equipped with a video recording system that is sufficient to provide views of the interior of the bus and the behavior of the students on the bus.

#### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$750,000 Recurring FY08-09**

**Increase Local Govt. Expenditures\* – \$1,500,000 One-Time FY07-08  
\$750,000 Recurring FY08-09**

#### Assumptions:

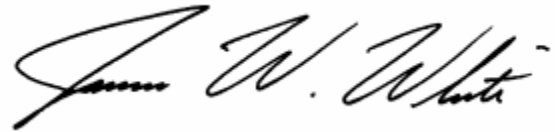
- According to the Department of Education, based on a 10-year average, approximately 600 new buses are replaced each year statewide.
- Based on the 2006 Department of Education Annual Statistical Report, there are 8,402 buses currently operated in the state for public school transportation.
- The bill does not require retrofitting existing buses being operated by the school systems; however, some buses are already equipped with camera equipment.
- Costs for video recording systems range from \$1,000 for a VHS type camera (the VHS type system is currently scheduled to be phased out of the industry); \$1,500 to \$2,500 for a digital recording system; and \$2,300 - \$2,700 for infrared camera equipment if installed in an existing bus.
- Depending on the type of camera equipment installed, the cost to purchase digital recording systems for 600 new buses each year could range in cost from \$900,000 (\$1,500 x 600) to \$1,500,000 (\$2,500 x 600) per year. For purposes of this estimate, a three camera digital recording system at a cost of \$2,500 is used. In addition, there could be yearly maintenance costs on the video recording systems.
- In year one this would be a cost to local governments, but in year two, the BEP would increase due to the increase in the amount of transportation expenditures which would become a part of the BEP formula.

- Over a three-year period, the state cost would increase by 50% of the total, or approximately \$750,000.
- LEAs would receive more state funds due to additional funds being generated through the BEP; however, local revenues would not be expected to increase.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director